Ecommerce Basics: 10 Questions to Ask When Creating an Online Store

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If your company sells goods in a brick-and-mortar store but not online, you could be missing out on an incredible revenue-generating opportunity. U.S. online retail sales grew 12.6 percent to $176.2 billion in 2010, and they're expected to reach $278.9 billion by 2015, according to Cambridge, Mass.-based technology and market research company Forrester Research.

Is your business ready to reap some of those online sales? Launching an online store can be challenging for small businesses, which are often short on time, budget and staff. But ecommerce vendors can help you make designing and maintaining an online store relatively simple and affordable.

Here are 10 important questions to ask when creating your company's first online store:

1. How do I start building my online store?

If you can't afford to hire someone to build a custom online store, don't worry. There are plenty of ecommerce vendors that can help you create one quickly. "They can take the hassle and headache of hard coding, hosting and doing maintenance on a server of your own out of the online store equation," says Julian Barkat, director of ecommerce and online marketing at Eggs to Apples, a Philadelphia digital marketing agency.

Such companies as Bigcommerce, Shopify, Goodsie, Jumpseller and Volusion let you design the overall look, feel and functionality of your online store. They also let you do things such as upload your product catalog, set up customer shopping carts, securely accept payments and handle order fulfillment. These services securely host your online store on their own servers. You can link to your online store from your company's main website.

Ecommerce services such as these usually require some basic initial set-up work on your part. For instance, with Shopify, you choose a storefront layout from a set of templates and customize your fonts, overall color scheme and product image sizes. Shopify users can also upload their own custom brand logos and backgrounds.

Prices for such services range from about $10 to $700 a month, depending largely on the number of products you sell and the amount and types of services provided.

2. How can I best customize the overall look of my online store?

In most cases, if your company already has a website, your ecommerce site should reflect your existing online look, including your logos and color schemes. If you don't have a business website, choose background and accent colors for your ecommerce site that complement your logo.

Most design templates from ecommerce vendors come with preset theme settings that don't require HTML or CSS knowledge to customize. So, it should be relatively easy to upload your logo and product images and add banners, slideshows and more.

3. What type of payment system should I use?

Barkat recommends PayPal when you're starting out. That's mainly because the third-party processor is so widely known as a secure system for accepting online payments.

While there aren't any sign-up or fixed monthly charges for PayPal's basic service, Barkat cautions that PayPal's

seller fees "can really add up quick." PayPal sellers pay a 2.9 percent transaction fee on the total sale amount, plus a 30-cent fee per transaction.

Authorize.net is another popular payment processing solution that Barkat recommends. The processor charges a $99 set-up fee, plus a $20 monthly fee and 10 cents per transaction.

Still, many shoppers prefer to pay for online purchases with their own credit cards rather than use PayPal or other third-party payment processors. You can obtain a merchant account with each individual credit card company. Many charge fees per transaction ranging from 20 to 50 cents, plus a percentage of the total purchase amount. Some also charge monthly, quarterly and annual fees.

4. How will I handle customer service?
To respond to customers' concerns efficiently, you may want to choose an ecommerce vendor that gives you access to a reliable customer relationship management (CRM) tool. Most of the major ecommerce vendors offer CRM options, sometimes for an added fee ranging between about $25 and $75 per month.

CRM tools document, streamline and structure the many ways merchants interact with customers in one central place, including customer contact information, recent purchases, complaints and pending orders.

Heather Peterson, founder of Girl Charlee Inc., a Signal Hill, Calif.-based online retailer and wholesaler of vintage and rare knit fabrics, suggests getting a toll-free phone number specifically dedicated to customer service. Another option is to set up a live chat in your online store, she says, but only if you can operate it 24/7, which online shoppers have come to expect.

5. How should I determine shipping costs?
It's often easier and more accurate to leave exact shipping-cost calculations -- both to you and your customer -- to the carrier you use. The major carriers will calculate shipping costs for you for free, and most major ecommerce vendors allow you to integrate those costs into your store's checkout section.

On the other hand, you may want to consider offering free shipping, at least for orders over a certain amount. If your direct competitors provide free shipping, Peterson suggests that you consider it, too, if you can afford it.

6. How do I create the best product images and descriptions?
"Online shoppers don't get to see, touch, feel or smell your product," says Barkat, so the next best thing is a crisp, clear product image. While he says you shouldn't entirely cut corners on photography, you don't have to hire a professional to get high-quality images. But you should use "a 16-megapixel DSLR camera, decent lighting and a light box," he advises. A photo lightbox is a tent-like container with several light bulbs aimed at its interior that photography professionals often use to create well-illuminated images of objects.

Peterson says written product descriptions should be short, yet rich with enough interesting details to pique customer interest. "Try to use compelling adjectives and phrases that evoke an emotion when someone reads your description," she says, "without getting too carried away or taking up too much space." In addition to noting the price, you may want to include product uses, dimensions and other defining characteristics.

7. Should I allow customer reviews and social sharing?
Giving customers the ability to comment on your products and leave ratings can help boost their confidence in your store, Peterson says. Positive reviews and social media shares could lead to more sales, but there's also the risk of negative comments. Several major ecommerce services offer customer review options that allow you to respond to -- or remove -- undesirable comments.

While Peterson hasn't yet enabled customer comments within her online store, she has made it possible for customers to "like" her products on Facebook, "pin" images of them to their Pinterest pages and email images and brief descriptions of them directly from the product listings.

8. How will I start to attract shoppers?
After your store is up and running, spread the word both online and off. Placing links to your store's web address on your company's main website and in your email newsletter campaigns would be a good start. Peterson also recommends creating Facebook, Twitter, Pinterest and YouTube accounts representing your online store. Updating your company's social media sites a few times a day can drive traffic to your store by drawing attention to daily deals and other promotions.

It's also advisable to choose an ecommerce vendor that automatically uses search engine optimization (SEO) for your store's content. SEO tactics can give your store a higher ranking in search results on Google, Bing and Yahoo.

9. How should I handle returns?
Every store has to deal with returned items. Double-check that your ecommerce vendor provides built-in tools that let you quickly and easily replace merchandise or refund purchase prices, restock your inventory and send emails to customers about the status of their return.

10. How can I track the success of my store?
Try to select an ecommerce vendor that offers free self-service analytics, often driven by Google Analytics, and other reporting tools to help you track your store's performance over time. These can tell you how many people are visiting your store and how often, where they live and how they found you. They can also show you which websites drive the most traffic to your store and which products customers look at and purchase most and least often.